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*Secret*

Office of Director  
Office of Intelligence Research (OIR)

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To: R - Mr. Trueheart

Mr. Evans asked me to send this copy to you.  
We sent two copies to Mr. Armstrong last  
evening.

Date: 12-16-49

From: Allan Evans

Per: HMc



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IN RSD 776 "National Intelligence Staff Study"

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#63  
Staff study-  
Nat Intel

A. PROBLEM. What is the nature of national intelligence and how can its production be improved?

B. FACTS.

1. The National Security Council, with the assistance of the Dulles-Jackson-Correa Committee, recently reexamined, and reaffirmed as sound, Section 102 of the National Security Act of 1947 and the National Security Intelligence Directives relating to National Intelligence (NSC 50, section 1 g and 5 g). In so doing the NSC concluded, however, that the directives have not been effectively carried out, there being within the CIA a confusion between responsibility for producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting (NSC 50; section 5 g). It also concluded that CIA's responsibility for the coordination of intelligence activities has not been fully discharged (NSC 50; section 2 g).

2. a) The particular type of intelligence which the NSC recognized as the responsibility of the Director of Central Intelligence, is defined by NSCID 3 as follows: "National intelligence is integrated departmental intelligence that covers the broad aspects of national policy and national security, is of concern to more than one Department or Agency, and transcends the exclusive competence of a single Department or Agency or the Military Establishment."

b) In referring to this and other directives relating to the production of departmental and national intelligence, the NSC agreed with the Dulles Committee that the CIA should interpret and follow the NSC directives so as to refrain as far as possible from competitive intelligence activities in the production of research intelligence estimates (NSC 50; section 5 g). c) It recognized the principle that the CIA should draw upon the specialized intelligence production of the agencies in order to prepare coordinated national intelligence estimates, and declared that

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a procedure should be adopted which would permit the Director of Central Intelligence to take full advantage of the departmental opinion while retaining sole responsibility for the final national intelligence product. (NSC 50; section 5 g).

3. The confusion with respect to national intelligence, to which the NSC referred, stemmed from differing interpretations of the controlling directives and differing concepts of national intelligence and of coordination (Dulles report, pp. 66, 69). Such differences still exist and still seriously impede the national intelligence production effort. Probably the differing interpretations and concepts of State and CIA provide the most clear-cut expression of the issues involved. CIA apparently believes that:

a. By law the Director is solely responsible for "producing" national intelligence estimates and must therefore reject any thought of collective responsibility with the IAS.

b. "Coordination" of national intelligence estimates does not necessarily involve joint preparation, but can be adequately accomplished by procedure which gives the other IAS agencies the opportunity to express concurrence or dissent to finished drafts presented to them by the CIA.

c. The definition of "National Intelligence" cited in 2 a above should be interpreted as follows:

(1) departmental intelligence is integrated if the departments participate to the extent of expressing concurrence or dissent in the CIA product;

(2) intelligence covers "the broad aspects of national policy and national security," and becomes national intelligence if an important aspect of national policy or security is concerned, whether or not it falls wholly within the responsibility of some one department.

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(3) intelligence "transcends the exclusive competence of a single Department or Agency or the Military Establishment," if requested by the President or an inter-departmental agency, or if initiated by the CIA.

4. A large staff is needed to ensure that the NSC has the facilities to carry out his responsibility for producing national intelligence, for without such a staff under his immediate direction he cannot:

- (1) meet emergency situations
- (2) protect himself from being dependent upon Departmental priorities in the production of papers.
- (3) analyze the mass of information necessary to detect possible departmental bias and thus provide the independent "check" required of him.
- (4) pursue the sometimes independent course required of his position.

a. Such a staff may independently prepare intelligence papers and conduct intelligence research operations parallel to those of the other IAC agencies in all phases of production.

4. State believes that the CIA views outlined in 3 above fail to meet the intent of the NSC, have been largely responsible for the continuing failure of the efforts to produce adequate national intelligence, have produced an unwarranted duplication of effort, and have tended to disrupt the entire intelligence production effort. Specifically, State believes that in terms of current definitions:

a. The DCI's responsibility for "producing" national intelligence prohibits him from requesting the IAC collectively to share responsibility for the final, independent judgment required by law, but imposes upon him an absolute obligation to seek the individual and collective opinion of the departmental specialists

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in arriving at his judgment.

b. "Coordination" of national intelligence is effective only insofar as it enlists a common, working collaboration of the responsible intelligence experts throughout the agencies in producing the most authoritative reports possible.

c. National intelligence

(1) is "integrated" only when departmental intelligence has explicitly participated in its preparation;

(2) covers broad aspects of national policy and security only when it involves topics of wide scope which require an objective balancing and interrelating of factors over which several agencies exercise exclusive jurisdiction.

(3) transcends the competence of the agencies only if it requires a fusion of functional specialties of more than one agency.

d. The quality of the central staff rather than the size is the determining factor in accomplishing the national intelligence mission; departmental staffs can provide the elements of national intelligence; succinctness rather than exhaustive research is required to check the results.

e. Central duplication is wasteful and dangerous to the extent that certain products of CIA are distributed outside regular channels and thus add to the stream of intelligence uncoordinated views that are sometimes divergent.

#### C. DISCUSSION.

The conflicts in this situation divide themselves into problems of definition and of execution; all of these in turn depend in part on the concept of national intelligence. Upon the resolution of these problems hangs in considerable measure the future shape of intelligence production.

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in the United States.

1. Concept of National Intelligence. The wartime experiment with "joint" intelligence unquestionably provided experience which helped to shape the theories under which the Central Intelligence Agency was established. "Joint" intelligence was produced through a committee structure, with departmental representatives drawing from their respective departments the intelligence opinion required for joint intelligence problems. This pyramidal concept proved sound except that its peak, a committee of equals, tended to produce a watered-down product. The plan recommended after the war for central intelligence retained the pyramid but replaced the committee by a Director who was empowered to express an independent view on national intelligence. It was provided that to the maximum extent possible the Director's view should represent a fusion of expert departmental opinion, but to avoid the watering down that would result from forced agreement, <sup>hence</sup> the degree of dissent, or written statement of serious disagreement with the Director's conclusion, at once freed the Director from being bound by departmental views and allowed policy officials to know when such serious doubt existed.

This concept finds support in the Dulles report analysis pp. 70):

"In the original Central Intelligence Group it was conceived that there would be a small organization of highly qualified individuals which would limit itself strictly to national intelligence problems and base its work primarily on the specialized reports and estimates produced by the departments rather than employ a large research and analysis organization of its own." The report adds, pp. 68-69, "The concept of national intelligence underlying the statute and the directives is that of an authoritative interpretation and appraisal that will serve as a firm guide to policy-makers and planners. A national intelligence estimate should reflect the coordination of the best intelligence opinion. It should be based on all

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available information and be prepared with full knowledge of our own plans and in the light of our policy requirements. The estimate should be compiled and assembled centrally by an agency whose objectivity and disinterestedness are not open to question. Its ultimate approval should rest upon the collective responsibility of the highest officials in the various intelligence agencies."

2. Definitions. It seems clear from the foregoing that the assignment to the Director of Central Intelligence of responsibility for the production of national intelligence did not imply an obligation on his part to prepare papers entirely from his own resources. To be sure, the NSC rejected the Dulles report's extreme suggestion of collective responsibility, but this by no means implied an opposite extreme. Indeed, the NSC explicitly endorsed the Dulles report when it reaffirmed belief in collective construction of reports, (NSC 50, section 5 g supra), a belief more sharply stated at p. 58 of the <sup>Dulles</sup> report:

"Although the Act and Intelligence Directives give the CIA the independent right of producing national intelligence, Directive No. 1 stipulates that such intelligence shall be officially concurred in by the intelligence agencies or shall carry statement of substantial dissent. As a practical matter, such estimates can be written only with the <sup>collaboration</sup> of experts in many fields of intelligence and with the cooperation of several departments and agencies of government".

It seems fair to assume that the several recognitions of "departmental intelligence" which appear in the Act and in the Intelligence Directives were included with the conscious purpose that such intelligence should play a part in the national intelligence scheme. The NSCID's further carefully allocate responsibility for national intelligence to the CIA and for designated fields of "dominant interest" to each departmental agency in such a way that the departmental fields among them cover the major functional divisions of intelligence; this can only mean that each department was to furnish a part of the whole and to operate for economy's sake, if nothing more, on a system of interreliance. CIA A's responsibility

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for coordination in the sense of leadership in a common effort, was thus intimately related to its responsibility for national intelligence production. The <sup>Quell</sup> D-J-C report speaks of this relationship at p. 85.

The CIA is—"given the responsibility of seeing to it that the United States has adequate central machinery for the examination and interpretation of intelligence so that the national security will not be jeopardized by failure to coordinate the best intelligence opinion in the country --, (underscoring ours). This responsibility has not been adequately discharged and remedial measures are necessary. There is confusion as to the proper role of CIA in the preparation of intelligence reports and estimates. This confusion has resulted from incorrect interpretation and lack of proper implementation of the statute and the directives. The reasons for this go to the heart of the national intelligence problem --."

<sup>Quell report</sup>  
D-J-C p. 85.

Unless the distinction between national and departmental intelligence is vigorously maintained among the members of the intelligence team there will obviously result a serious diminution in the effectiveness of the entire structure, both in productivity and type of product. The attached ONE Status Report of 1 December 1949 lists titles of recent or impending CIA "national intelligence" reports. The following titles, among others, confirm the state of confusion which exists:

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Communism in Scandinavia

Political orientation of the West  
German State

The Succession of Power in the USSR

Recent developments in Latin American  
civil aviation

Relation of Indonesia to the Economy of  
the Netherlands

UK activities in Iran

Great Britain and the German Problem

Soviet objectives in Latin America

The Suppression of Communism in Turkey

Soviet role in the UN

Violence during Philippine Elections

It need hardly be argued, in terms of preceding concepts and definitions, that such reports fail to fulfill the high mission assigned the CIA in this field. It may, indeed, be pointed out that under any reasonable interpretation of the allocations established in NSC 5412, these topics fall wholly within the field which is recognized as the responsibility of the State Department, and in no way match any part of the definition of national intelligence. The Dulles-Jackson-Correa interpretation of the pertinent directive seems sufficient (Dulles report, p. 67):

"The significant provision of Directive No. 3 for the CIA is the definition of national intelligence, for which the Agency is given exclusive responsibility,—, In effect the directive interprets the vague provision of the National Security Act on "intelligence relative to the national security" to cover a particular type of intelligence reasonably distinct from departmental intelligence and conforming to admittedly broad but generally comprehensible specifications."

National Intelligence "should deal with topics of wide scope relevant to the determination of basic policy, such as the assessment of a country's war potential, its preparedness for war, its strategic capabilities and intentions, its vulnerability to various forms of direct attack or indirect pressures. An intelligence estimate of such scope inevitably transcends the exclusive competence of a single Department or Agency or the Military Establishment."

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A major objective, then, in establishing the CIA was to provide the administrative machinery for the coordination of intelligence opinion, for its assembly and review, objectively and impartially, and for its expression in the form of estimates of national scope and importance." (Dulles report, p. 68.)

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3. Problems in Execution. If then the theory of the national intelligence production plan is sound, is the plan practiced in operation? The CIA evidently believes not. As was noted above, the DCI's interpretation of sole responsibility for national intelligence has led to the establishment of a large staff to assist in preparing such intelligence. The principle that maximum use should be made of departmental facilities (JUGED 1) has been forced aside through the fact of the staff's existence and the operational practices which the CIA considers essential to its position. The result, as put by the Dulles Report (p. 84) is that "the Central Intelligence Agency itself has become a competitive producer of intelligence on subjects of its own choosing which can by no stretch of the imagination be called national intelligence." The necessity for the practices which led to this result warrants detailed discussion, and can be clarified by answering a small number of questions:

a. Is collective preparation incompatible with sole responsibility for production?

The responsibility for production of national intelligence was centered in one official to guard against compromise or a possible failure to unify in one place all available intelligence. It was not so centered to relieve departmental experts from all but a review function. On the contrary, it was designed to provide a common meeting ground where the specialized departmental intelligence views could be considered in relation to a broad, interdepartmental problem, could be synthesized in the form of a single, authoritative estimate, and put forth under the responsibility of the central authority. Such an estimate had to be founded upon departmental intelligence provided especially for the occasion to ensure that the central balancing of possibly divergent views was a balancing of elements tailored to the same problem. This concept of common effort had also its practical side: Maximum utilization with minimum duplication, of the intelli-

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gence production resources of the Government.

6. Can the DDI rely upon a system of collection operation for national intelligence purposes?

The DDI is empowered to secure from the departments all available intelligence and to request special intelligence studies (NSCIB 2.) He is also empowered to secure from the Departments all intelligence information which he requires. The tools therefore are at hand to carry out his missions of coordination and production. The materials available enable him to plan the national intelligence program, to spot weaknesses in departmental intelligence programs, to be alert to crisis situations, and to initiate or respond to novel projects of high national importance. However:

(1) Can he receive prompt and adequate service on a national intelligence request which conflicts in an agency with other work in progress? To some extent the problem is illusory for relevant agencies tend to become interested in the same problem at the same time. More often than the question means an adjustment of a current agency project to the national intelligence problem rather than the initiation of a totally new project. To some extent it can be resolved through effective programming which would give participants notice of forthcoming burdens and permit adjustments of their schedules. Should these principles fail, the DDI's relationship with the IAC and NSC ensures any necessary attention to a well considered project of national intelligence. There remains, however, one possible obstacle: agency limitations in personnel and equipment. To meet an emergency of this sort the NSCIBs contemplate that the DDI shall support the departments in the interest of the over-all Governmental intelligence structure (NSCIB 1) and either assist the agency in securing from usual sources the necessary reinforcement or himself supply the reinforcement to the agency.

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(X) Is joint composition incompatible with the speed required in crisis situations? Joint composition does not necessarily imply time-consuming composition. It implies rather a flexible means of obtaining the fullest feasible application of pertinent viewpoints to a given problem. Normally, national intelligence crisis estimate (e.g., Estimate of Russian Intentions, March 1948) is a brief expression of conclusions evolved from a maximum pooling of evidence and ideas with a minimum of composition. Joint composition may thus on one occasion involve a careful, laborious process of group drafting; on another, individual drafting from agency submissions for group consideration; on another, individual drafting on the basis of group discussion. Topic and deadline in each case would determine the method.

(X) Can the DDI detect possible departmental bias and thus provide the independent "check" required of him? An abiding fear of any intelligence officer is the fear that operational pressures may force intelligence to lend unjustified support to a given policy or that personal feelings may develop prejudice. The danger is inherent in any intelligence plan. Obviously if State, wedded to a particular policy, presents facts distorted by faulty preconceptions, the resulting intelligence report will be defective. Unquestionably, such a danger is an important reason why the DDI has final responsibility for the national intelligence position. Detection of bias, however, is as readily accomplished through collective as through central preparation. The caliber of the CIA staff is largely determinative in either event, but that staff, under a collective theory, has greater assistance from other knowledgeable agencies, whose cross-views may bring out hidden faults. In reality the problem of bias is a purely practical one; to achieve the perfect solution, one would require a skyscraper of staffs of equal size, each checking the findings of the one on the floor beneath; in actual practice, on the relatively high level of interpretation at which such bias becomes a problem, it is not extensive files but intelligent and inquiring minds that constitute an effective safeguard.

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(4) Could the DCI continue to exercise the sometimes independent judgment required of his position? Independence of judgment obviously does not deny a theory of collective preparation. As was indicated earlier, the fixing of responsibility for national intelligence in a single body was designed to overcome the dangers of compromise inherent in a joint decision; joint preparation, on the other hand, is the method of obtaining all relevant views in order that the final judgment may be based upon the best available intelligence in the various related fields. The more full the examination of all factors conditioning a single problem, the sounder normally should be the conclusions derived therefrom. Reliance upon a single staff as a means for arriving at independent conclusions, checked only by review, would seem less wise than a hearing, in the first instance, of the best thoughts of the specialty staffs of the departments.

(5) Could a small high-level staff provide the DCI with the support he requires in fulfilling his responsibility for producing national intelligence? Both the NSC and the Dulles Report agreed that a small staff would and should be sufficient for this purpose. (NSC 50 section 6 a.) They added that central research should be confined to recognized fields of common interest. In those two thoughts are clear recognition that the duplicatory role of CIA is wasteful, that national intelligence is a special type requiring expertise rather than numbers to produce, and that intelligence research outside of the departments is useful only in fields where departmental intelligence research is totally lacking or is being carried out wastefully in more than one department. If, as has been suggested above, the national intelligence plan is free from serious practical as well as theoretical defects, it is difficult to understand by what theories a large staff is justified. It is doubtful that the US Government is prepared to support the ideal mentioned earlier, a series of departmental and independent groups each duplicating the work of the other in order to test its accuracy. At some point, there has to be

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acceptance of the principle of delegated responsibility.

c. Do Departmental personnel salaries warrant CIA retention of a parallel intelligence research staff to absorb existing Departmental work?

The national intelligence production plan, indicated above, envisages the entire intelligence structure as a pyramid; the base, four strong intelligence agencies to whom are delegated responsibilities functionally related to the work of the departments they serve; the apex, the central authority deriving its main strength from the base and, through its national intelligence staff, picking out and arranging the essential union of departmental ideas which might otherwise never unite. The apex is only as strong as the foundation. When it placed in one central authority responsibility for the structure, the NSC remembered peace-time departmental temptations. It imposed upon the DCI the task of keeping intelligence strong. Retention of parallel intelligence research in CIA not only would tend to destroy the symmetry of the pyramid but in fact would ignore a prime CIA responsibility - to ensure as sound as possible an investment of intelligence resources. Departmental inability in any Department fully to perform its intelligence mission should be of concern to the DCI in terms of strengthening the weak spots, or, under his coordinating responsibility, in terms of recommendation to the NSC. Parallel reporting absorbs additional Departmental effort in concurrence or dissents and thus puts impossible strains on the weaker links.

## B. CONCLUSIONS

1. The production of national intelligence remains at an ineffective level largely because of a continuing misunderstanding on the part of the DCI as to the legal connotations of his responsibility for producing national intelligence. This misunderstanding has caused the CIA to seek to establish a national intelligence staff which can provide,

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from its own resources, all the materials required for national intelligence purposes. As a result there has occurred distortion in the handling of national intelligence which, in turn, has caused regrettable wastage, through duplication, of intelligence resources. This, in turn, has brought on confusion as to the concept of US intelligence production and has created interdepartmental friction which could have serious consequences.

2. The clarity of the directives relating to national intelligence and the recent NSC comments thereon suggest that some part of the present CIA implementation of those directives may stem from doubt as to the practicability of the plan which they outline. In fact, however, the plan is sound, both in theory and in practice. Its success depends upon a common realization of its team aspects and the role which each member must play. The CIA must itself understand and must itself establish within the IAS a real feeling of the joint mission which national intelligence represents. The NSI must likewise appreciate more keenly his broad responsibility for strengthening the entire intelligence structure.

3. The small staff recommended by the Dulles Staff, working in close collaboration with present departmental facilities, can provide the NSI the support necessary to fulfill his national intelligence production mission. Problems will remain, priorities and the like, but none sufficiently serious that they cannot be solved through the forthright leadership of the NSI.

#### II. RECOMMENDATION

The Undersecretary authorize the preparation of a similar staff study for consideration by the NSC and transmission by the NSC to the Director of Central Intelligence as an expression of the NSC's views on national intelligence and the responsibility of the Director of CIA in its production.

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